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President vows 'close-knit partnership' with industry

Carter offers his plan to rescue Detroit

By Edward Lapham, Helen Kahn and Jake Kelderman

DETROIT. — President Carter made a brief but spectacularly theatrical and well-heralded stop here last week to announce a billion-dollar auto industry rescue plan which offered Detroit very little substance to applaud.

The plan, called a "first step" by President Carter, union leaders and auto executives alike, included some regulatory respite and tax advantages for manufacturers, up to $400 million in guaranteed loans to new-car dealers plus additional aid for laid-off workers and hard-hit municipalities.

Carter said the plan is "historic" and will mean a "very close-knit, permanent partnership" between government, the manufacturers, suppliers, the UAW and dealers. This partnership will be "within the bounds of propriety" of free enterprise, the President said, and will ensure the government is "very cautious in implementing new regulations."

Notably, the President's program did not include any restrictions on Japanese imports, although he said he has directed the U. S. International Trade Commission to accelerate its investigation of the problem. He reserved action pending conclusion of the ITC study, perhaps as early as October.

Carter scurried into Metropolitan Airport in suburban Detroit early last Tuesday morning for what was described by one attendee as a "pro forma" meeting with the chairmen and presidents of the five domestic auto makers, the president and several vice presidents of the UAW plus Detroit Mayor Coleman Young, Vice President Walter Mondale and several ranking Administration officials.

Mondale, Transportation Secretary Neil Goldschmidt, Treasury Secretary G. William Miller, EPA Administrator Doug Costle and other Administration officials came to Detroit the preceding day to herald the early-morning airport meeting/press conference and do the actual business of informing the union and the auto companies of the package details.

The industry and union leaders joined Carter and Mondale on the dais at the press conference. They answered questions after the President departed and were generally reserved in their comments.

• General Motors Chairman Thomas A. Murphy said he was encouraged by the Administration's "determination to free the free enterprise system."

Ford Motor Co. Chairman Philip Caldwell said the tri-partite cooperation "was the greatest lesson" the U. S. could learn from the Japanese. Later, Caldwell told reporters he did not know how much money the President's program would save Ford. "We'll have to see the specifics," he said.

Chrysler Chairman Lee Iacocca said the U. S. was taking "a chapter from the Japanese" book and again said Chrysler, which is responsible to a federal loan guarantee board and has UAW President Douglas Fraser on its board of directors, already is practicing tri-partite existence.

American Motors Chairman Gerald C. Meyers said he was "really pleased" with the Administration "for getting us all together."

Volkswagen of American President James McLernon indicated he too viewed it as a first step and noted VW already is pro-

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But July unit count tops June as selling pace slows

Car inventories decline to 80 days

By Richard A. Wright
Assistant Managing Editor

The domestic new-car inventory declined slightly in June and the industry opened July with an 80-day supply — down from 83 days June 1, but still heavy and the same as July 1 last year.

As a measure of how much weaker the sales pace is this year, the July 1 stockpile included 1,627,857 units, compared with 2,152,834 a year earlier, the highest unit count ever. But both inventory figures represented 80-day supplies. The June 1 83-day supply included 1,597,866 units.

The heavier unit total on July 1 compared with a month earlier was accounted for almost entirely by General Motors. Chrysler Corp. and Ford Motor Co. trimmed their unit counts during June. American Motors was down slightly and Volkswagen of America was up slightly.

GM had a 75-day supply July 1, up slightly from 74 days on June 1. GM was no longer plagued by shortages and most of its larger lines were in heavy supply.

Ford Motor Co. sliced its inventory from 94 days on June 1 to 82 days July 1. Chrysler Corp. trimmed its stockpile from 134 days to 129 days during the month, while AMC had a 102½-day stock, up from 100 days, and VWoA had a 39-day supply, down from 40.

The July 1 domestic inventory was divided this way: GM, 58.23 percent; Ford Motor Co., 24.67 percent; Chrysler Corp., 12.80; AMC, 2.77, and VWoA, 1.53 percent.

A month earlier, the new-car inventory was divided as follows: GM, 55.42 percent; Ford Motor Co., 25.60 percent; Chrysler Corp., 14.73 percent; AMC, 2.86 percent; and VWoA, 1.39 percent.

• By size class, the stockpiles of standards and intermediates were down on July 1 from a month earlier, while all other segments were up.

The industry had a 76-day supply of subcompacts, compared with a 73½-day supply a month earlier, and a 74-days supply of compacts, compared with 72½ days June 1.

It had a 91-day supply of intermediates, down from 98½ days, and a 79-day stock of standards, down from 93 days. Luxury units were in 77-day supply July 1, compared with 76 days a month earlier.

The July 1 inventory was divided this way among the size classes: Subcompact, 18.85 percent; compact, 26.91 percent; intermediate, 33.14 percent; standard, 15.82 percent, and luxury, 5.28 percent.

A month earlier, the inventory was divided as follows: Subcompact, 17.12 percent; compact, 27.02 percent; intermediate, 32.90 percent; standard, 17.32 percent, and luxury, 5.64 percent.

• The July days-supply figures by market class were:

Subcompact—Rabbit, 39; Skyhawk, 58; Starfire, 58; Monza, 64; Chevette, 65; Sunbird, 66; Pinto, 81; Spirit, 110½; Bobcat, 123; Omni, 126, and Horizon, 134.

Compact — Citation, 50; Skylark, 50; Omega, 54; Phoenix, 57; Fairmont, 72; Firebird, 76;

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31-MPG fleet average seen for GM by 1985

By Marjorie Sorge

WARREN, Mich. — General Motors Corp. plans a fleet fuel economy average of 31 MPG by 1985 and will introduce a small, electric car by 1984, selling 100,000 of them by 1985, according to E. M. Estes, GM president.

The federal standard for 1985 is 27.5 MPG.

Estes last week told a press conference announcing the MPG prediction the average would be 30 MPG in 1984 and could be 35 MPG by 1985 if customers switch the model mix.

He said some of that decision will depend on the price of gasoline at the pumps and predicted it could hit $2.25 a gallon by 1983. He said the fuel economy for 1990 would depend on the success of the synthetic fuel program. He indicated there should be no surcharge on gas, but that the money should be turned over to the private sector to develop the synfuel programs.

Blaming much of the sales slump in 1980 on the rapid market switch, he was optimistic about the rest of 1980.

"We were not asleep," Estes said. "We were on our program last December and by May we were wrong. We had too many Chevettes in December and not enough in May.

"I think we are on our way out (of the recession)," he said and forecast a fourth quarter sales figure "considerably better than the second quarter."

In the second quarter domestic and import sales were 2,134,500, down 26 percent from a year ago. Domestic sales were 1,550,-

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breaking news

GM changes dealer franchise agreements

DETROIT. — The new General Motors dealer franchise agreements have a interesting hooker: If the dealer finds a buyer for his dealership and negotiates a price, he has to give GM first crack at buying it back. If GM and the dealer can't agree on price, it goes to the American Arbitration Assn. New contracts are 27 pages long and written in plain English. They come on stream for most GM dealers around July 25.

Massive all-GM dealer sale for Detroit

DETROIT. — Metro Detroit General Motors dealers are planning a massive three-day tent sale here July 24-26, similar to one which sold 826 new vehicles for 13 GM dealers in the Pontiac area. There are four chairmen for east, west, north and south "tent" locations: Marty Feldman (Chevrolet) for State Fair Grounds, Mike Rinke (Pontiac) for the

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NEW-CAR STOCK

New-car days-supply figures, U.S. makes:

	July 1, 1980	June 1, 1980	July 1, 1979
Spirit	110½	89	68
Concord	78	77	81
Eagle	167	226	—
Pacer	83	70	169
AMERICAN MTRS.	102½	100	80
Horizon	134	121	27
Volare	126	147	97
Gran Fury	73½	58	—
Plymouth	124½	125	68
LeBaron	133	143	138½
Cordoba	148	170	345
Chrysler	99	124	120
Chrysler	129	147	157
Omni	126	119	28
Aspen	122	152	116½
Diplomat	145	148	152
Mirada	144	168	209
St. Regis	65	85	98
Dodge	122½	135	91
CHRYSLER CORP.	113	134	98
Pinto	81	100	53
Mustang	79	85	56
Fairmont	72	75	62
Granada	80	114	89
Thunderbird	122	138	142
Ford	68	81	102
Ford	84	94	78
Bobcat	123	122	66
Capri	77	84	54
Zephyr	98	86	107
Monarch	81	91	127
Cougar XR-7	104	134	147
Mercury	69	77	199
Mercury	89	94	117
Versailles	70	105	200
Lincoln	74	79	161
Mark VI	75	87	210
Lincoln	74	87	185
FORD MOTOR CO.	82	94	89
Skyhawk	58	75	52½
Skylark	50	29	11
Century	72	65	83
Regal	118	94	65
LeSabre	86	103	141
Electra	97	108	206
Riviera	78	95	44
Buick	84	73	76
Seville	109	82	152
Cadillac	81	74	125
Eldorado	71	59	87
Cadillac	82	72	119
Chevette	65	52	22½
Monza	64	58	40½
Citation	50	41½	21
Camaro	92	89	51½
Malibu	85	88	71
Monte Carlo	108	124	123
Chevrolet	103	107½	151
Corvette	60	56	40
Chevrolet	76	72½	69
Starfire	58	72	37
Omega	54	38	19
Cutlass	52	60	62
Supreme	67	76	62½
Olds 88	60	71	72
Olds 98	62	79	105½
Toronado	68	81	56
Oldsmobile	60	67	64½
Sunbird	66	73½	30
Phoenix	57	47½	18
Firebird	76	93	52
LeMans	89	104	80
Gran Prix	99	130	97
Pontiac	72	109½	144½
Pontiac	76	93	78½
GENERAL MOTORS	75	74	73
VOLKSWAGEN	39	40	24
TOTAL CARS, U.S.	80	83	80

New-car sales in June plunge by 22 percent

By Jenny L. King
Staff Writer

New-car sales in June tumbled 22.42 percent, due largely to the dead weight of the domestic market, where sales dropped 27.10 percent. Sales of imported new cars were down 6.36 percent. In units, the 1980 June figure was 701,345, compared with 904,000 a year ago.

U. S. auto makers sold 510,921 new cars during the month, down 27.10 percent from 700,897 the preceding year and down 46.21 percent from the 949,849 cars sold in 1978—the record for the month.

Combined U. S. and import sales for the first half of 1980 numbered 4,651,081, down 17.65 percent from 5,647,604. Domestic first-half sales were down 23.55 percent, to 3,399,176 from 4,446,-176.

Sales of imported cars in the first six months of 1980 totaled a record 1,251,905, up 4.20 percent from last year's 1,201,428, the former peak. Import penetration for the first six months was 26.92 percent compared with 21.27 percent a year ago.

Of the five U. S. auto makers, only Volkswagen of America reported a June sales increase. Its sales were up 6.24 percent, to 16,080 from 15,136. General Motors sales dropped 22.51 percent, to 314,911 from 406,371. Ford reported sales of 122,971 new passenger cars, down 33.13 percent from 183,907.

Chrysler Corp. sales plunged 44.45 percent, to 45,957 from 82,730, while American Motors sold 11,002 units, down 13.73 percent from 12,753.

GM increased its share of the shrinking domestic market in June, rising to 61.64 percent from 57.98 percent. Ford sales accounted for 24.07 percent, down from 26.24 percent. Chrysler cornered only 8.99 percent, down from 11.80 percent, and leaving some slack for VWoA and AMC to pick up. VWoA Rabbit sales accounted for 3.15 percent of the June market, up

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Where Auto Market was in first Half, 1980

	Total Sales	Pct. of Total
SUBCOMPACT	698,737	15.02
COMPACT	995,600	21.41
INTERMEDIATE	967,441	20.80
STANDARD	537,392	11.55
LUXURY	200,006	4.30
IMPORT	1,251,905	26.92
TOTAL	4,651,081	100.00

Where Auto Market was in June

	Total Sales	Pct. of Total
SUBCOMPACT	101,858	14.52
COMPACT	149,489	21.32
INTERMEDIATE	149,380	21.30
STANDARD	81,991	11.69
LUXURY	28,203	4.02
IMPORT	190,424	27.15
TOTAL	701,345	100.00

U. S. cars fall 27 percent for month

Domestics lead June sales plunge

Continued from Page 2

from 2.16 percent, and AMC earned 2.15 percent, up from 1.82 percent.

• Although most of the import lines were down from a year earlier, the three Japanese leaders—Toyota, Datsun and Honda—registered gains.

VW was the only U. S. make to top its last-year level. Buick almost matched 1979 sales, selling 54,692 new cars this June compared with 55,551, a difference of 1.55 percent. On a daily-rate basis the GM division was ahead, as there were 25 selling days this year compared with 26 a year ago.

Chrysler makes headed the June loss leaders: Plymouth was down 45.66 percent, Chrysler dropped 44.41 percent and Dodge declined 43.42 percent.

Mercury reported a drop of 40.49 percent, Ford was down 31.54 percent and Lincoln showed some signs of a recovery with a 21.89-percent loss.

At GM, Chevrolet sales declined 29.45 percent, Cadillac was down 28.69 percent, Pontiac registered a 24.86-percent drop and Oldsmobile was down 17.46 percent.

The June daily selling rate averaged 20,437, down 24.19 percent from 26,958 for the month in 1979.

Top-selling nameplates for the month were: Chevrolet Citation at 29,999, Chevrolet Chevette at 26,345, Ford Fairmont at 24,106, Chevrolet Malibu at 21,375 and Oldsmobile Cutlass Supreme at 21,212.

U. S. sales for the last 10 days of June dipped 30.64 percent, to 183,489 from 264,545. On a daily-rate basis, June 21-30 sales were down 21.97 percent. There were eight days this year compared with nine a year ago. It was the 13th consecutive 10-day period in which sales were down.

The domestic market class spectrum in June showed: Subcompacts, 19.94 percent of the domestic market; compacts, 29.25 percent; intermediates 29.24 percent; standards, 16.05 percent, and luxury models, 5.52 percent.

New-car sales including imports broke out into the following percentages in June: Subcompacts, 14.52 percent; compacts, 21.32 percent; intermediates, 21.30 percent; standards, 11.69 percent; luxuries, 4.02 percent, and imports, 27.15 percent.

Domestic second-quarter, 1980, sales totaled 1,550,026, down 31.46 percent from 2,261,607 in 1979.

First half domestic sales numbered 3,399,176, down 23.55 percent from 4,446,176 for the first six months of 1979.

The market class breakdown for January-June, 1980, showed imports capturing 26.92 percent of the U. S. market, (U. S.) subcompacts earning 15.02 percent, compacts at 21.41 percent, intermediates at 20.80 percent, standard models at 11.55 percent and luxuries at 4.30 percent.

The five top-selling domestic nameplates for the first half looked like a Chevrolet family reunion. Number one was Chevette with sales of 202,128. It was followed by Citation at 201,263, outsider Ford Fairmont at 164,237, full-size Chevrolet at 147,479 and Malibu at 135,439.

With 154 selling days in the first half of the calendar year, the daily selling rate averaged 22,073, down 23.55 percent from the 28,871 average for the same number of selling days in 1979.

IMPORTED CAR SALES

	June, 1980	Same Month, 1979	Jan. 1 to June, 30, 1980	Same Period, 1979
Alfa Romeo	378	402	1,747	2,071
Arrow	3,923	4,908	35,501	29,136
Audi	3,119	2,877	21,133	20,988
BMW	2,647	3,006	17,412	17,230
Challenger	936	1,250	7,426	8,340
Colt	3,227	7,273	32,431	37,869
Datsun	38,800	34,067	280,890	235,732
Fiat	2,122	7,538	21,927	33,726
Fiesta	4,803	8,916	36,506	42,582
Honda	29,097	28,045	188,168	190,809
Jaguar	259	267	1,413	2,133
Lancia	163	121	1,227	853
Mazda	13,294	14,860	74,297	78,193
Mercedes-Benz	4,416	4,854	26,113	28,668
MG	897	3,358	5,162	14,790
Opel	.....	1,622	.....	10,230
Peugeot	1,116	696	6,641	6,233
Porsche	812	1,361	5,486	7,338
Renault	1,359	1,829	12,368	8,432
Rover	42	.....	75	.....
Saab	864	1,243	6,505	7,864
Sapporo	795	1,215	5,902	7,369
Subaru	11,150	12,779	70,804	69,546
Toyota	52,455	42,990	315,845	255,150
Triumph	1,067	1,284	5,231	6,527
Volkswagen	7,728	10,742	43,796	48,573
Volvo	4,455	5,845	27,899	31,046
TOTAL	190,424	203,348	1,251,905	1,201,428

DOMESTIC CAR SALES

	June 21 to June 30, 1980	Same Period, 1979	June, 1980	Same Month, 1979	Jan. 1 to June 30, 1980	Same Period, 1979
Spirit	.....	.....	3,807	5,108	28,159	24,598
Concord	.....	.....	5,395	6,958	34,838	43,943
Pacer	.....	.....	141	687	1,522	4,450
Eagle	.....	.....	1,659	.....	14,269	.....
AMERICAN MOTORS*	4,200†	5,400†	11,002	12,753	78,788	72,991
Horizon	2,991	5,541	7,641	12,851	67,525	93,159
Volare	2,372	6,040	6,800	15,437	44,313	90,610
Voyager	.....	443	.....	997	.....	5,315
Fury	.....	91	.....	242	.....	2,279
Plymouth	549	.....	1,603	.....	8,728	.....
Total Plymouth	5,912	12,115	16,044	29,527	120,566	191,363
LeBaron	1,433	3,077	4,333	8,021	33,197	50,443
Cordoba	1,269	1,234	3,636	3,216	24,175	24,519
Chrysler	855	3,475	2,675	7,912	17,384	47,385
Total Chrysler	3,557	7,786	10,644	19,149	74,756	122,347
Omni	2,531	4,664	6,724	11,417	55,781	78,415
Aspen	1,869	3,810	5,637	10,022	33,406	60,649
Sportsman	.....	1,438	.....	3,346	.....	17,443
Diplomat	786	1,301	2,455	4,009	17,165	23,562
Monaco	.....	83	.....	225	.....	2,157
Mirada/Magnum	822	697	2,299	1,684	15,046	11,197
Dodge	573	1,123	2,154	3,351	11,038	16,098
Total Dodge	6,581	13,116	19,269	34,054	132,436	209,521
CHRYSLER CORP.	16,050	33,017	45,957	82,730	327,758	523,231
Pinto	4,477	6,843	17,529	17,373	83,387	112,316
Mustang	6,851	11,824	20,399	29,167	128,103	168,419
Fairmont	7,850	13,522	24,106	38,904	164,237	180,740
Club Wagon	.....	1,350	.....	3,367	.....	23,219
Granada	4,168	4,630	9,147	12,581	40,715	80,255
LTD II	111	1,039	288	2,342	2,364	19,945
Thunderbird	3,042	7,119	8,680	15,879	76,659	100,260
Ford	5,012	9,693	14,136	23,117	79,931	143,383
Ford Division	31,511	56,020	94,285	137,730	575,396	828,537
Bobcat	657	1,488	2,196	3,866	15,901	26,044
Zephyr	1,836	3,018	5,625	8,044	45,617	53,512
Monarch	1,282	1,376	2,671	4,115	14,599	31,830
Cougar	.....	46	.....	121	.....	2,975
XR-7	1,153	3,071	3,440	10,011	31,151	62,803
Capri	1,845	3,165	5,649	8,267	34,962	51,814
Mercury	1,382	2,009	4,033	5,260	27,669	47,524
Total Mercury	8,155	14,173	23,614	39,684	169,899	276,502
Versailles	138	315	461	797	3,003	7,001
Lincoln	782	1,091	2,158	3,110	15,141	35,643
Mark VI	893	939	2,453	2,586	18,148	26,122
Total Lincoln	1,813	2,345	5,072	6,493	36,292	68,766
L-M Division	9,968	16,518	28,686	46,177	206,191	345,268
FORD MOTOR	41,479	72,538	122,971	183,907	181,387	1,173,805
Skyhawk	152	632	437	1,733	4,394	10,279
Skylark	5,404	4,571	12,128	11,237	88,070	46,979
Century	4,714	1,337	11,773	3,510	72,443	26,739
Regal	6,139	8,365	14,808	21,417	91,993	135,656
LeSabre	2,819	3,352	7,421	8,466	46,200	69,146
Electra	1,845	1,718	4,649	4,502	28,839	42,948
Riviera	1,423	1,572	3,474	4,686	20,100	31,820
Buick Division	22,496	21,547	54,690	55,551	352,039	363,567
Seville	608	860	1,865	2,332	17,958	21,796
Cadillac	2,992	4,131	8,679	12,614	63,757	103,216
Eldorado	1,228	1,540	3,335	4,516	24,437	35,881
Cadillac Division	4,828	6,531	13,879	19,462	106,152	160,893
Chevette	10,376	14,859	26,345	37,365	202,128	205,096
Monza	4,662	3,953	11,639	10,487	75,297	91,952
Citation/Nova	12,601	12,973	29,999	31,555	201,263	130,987
Sportvan	.....	1,134	.....	2,834	.....	17,474
Camaro	3,951	7,306	9,796	18,247	63,504	125,015
Malibu	9,104	12,636	21,375	30,603	135,439	187,527
Monte Carlo	4,639	8,265	11,421	20,189	80,122	134,798
Chevrolet	7,825	13,386	18,247	32,412	147,479	236,846
Corvette	1,192	1,218	2,819	2,889	18,551	19,456
Chevrolet Division	54,350	75,730	131,641	186,581	923,783	1,139,151
Starfire	77	344	312	1,471	4,567	10,804
Omega	1,622	1,208	6,528	4,633	44,382	20,984
Cutlass	3,904	1,994	16,834	8,686	107,297	50,950
Supreme	5,221	8,857	21,212	36,593	129,486	216,837
Olds 88	2,851	4,081	12,397	18,777	78,276	128,723
Olds 98	1,341	1,337	5,679	5,903	34,836	48,129
Toronado	705	850	2,959	3,798	18,911	28,956
Oldsmobile Division	15,721	18,671	65,921	79,861	417,755	505,383
Sunbird	3,063	2,855	9,148	7,459	65,404	50,440
Phoenix	2,644	3,012	7,413	7,497	49,355	37,355
Firebird	2,773	4,717	8,214	12,156	47,759	94,060
LeMans	2,376	3,799	6,434	10,053	41,036	63,247
Grand Prix	3,242	5,799	8,574	14,871	54,554	89,733
Pontiac	3,017	4,836	8,997	12,880	57,012	86,785
Pontiac Division	17,115	25,018	48,780	64,916	315,120	421,622
GENERAL MOTORS	114,510	147,497	314,911	406,371	2,114,849	2,590,616
VOLKSWAGEN	7,250	6,093	16,080	15,136	96,194	85,533
DOMESTIC TOTALS	183,489	264,545	510,921	700,897	3,399,176	4,446,176
IMPORT TOTAL	.....	.....	190,424	203,103	1,251,905	1,201,428
INDUSTRY TOTALS	.....	.....	701,345	904,000	4,651,081	5,647,604

*—AMC does not issue a nameplate breakout for 10-day periods.
†—Estimate.

IMPORT REGISTRATION SHARES IN U.S.

	APRIL					FOUR MONTHS				
	Regis., Apr. 1980	Percent Share of Market	Regis., Apr., 1979	Percent Share of Market	Pct. Pt. Change '80 vs. '79	Regis., 4 mos., 1980	Percent Share of Market	Regis., 4 mos., 1979	Percent Share of Market	Pct. Pt. Change '80 vs. '79
Toyota	49,947	22.63	45,044	19.64	+ 2.99	196,176	23.52	129,687	18.17	+ 5.35
Datsun	48,536	21.99	41,743	18.20	+ 3.79	176,009	21.10	124,164	17.40	+ 3.70
Honda	30,150	13.66	35,150	15.33	− 1.67	112,305	13.46	111,660	15.64	− 2.18
Volkswagen	23,394	10.60	29,387	12.81	− 2.21	79,017	9.47	102,264	14.33	− 4.86
Mazda	12,026	5.45	13,869	6.05	− 0.60	49,156	5.89	39,170	5.49	+ 0.40
Subaru	8,972	4.06	9,219	4.02	+ 0.04	37,080	4.45	30,429	4.26	+ 0.19
Fiesta	6,326	2.87	6,985	3.05	− 0.18	25,527	3.06	22,854	3.20	− 0.14
Arrow	5,603	2.54	5,348	2.35	+ 0.21	23,818	2.86	.....	.....	.....
Fiat	5,132	2.33	5,867	2.56	− 0.23	22,989	2.76	17,425	2.44	+ 0.32
Colt	4,900	2.22	6,293	2.74	− 0.52	17,099	2.05	.....	.....	.....
Mercedes	.....	.....	.....	.....	.....	.....	.....	17,833	2.50	.....
Fiat	.....	.....	.....	.....	.....	.....	.....	16,691	2.34	.....
Volvo	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
All Others	25,718	11.65	30,429	13.27	− 1.62	94,927	11.38	101,589	14.23	− 2.85
TOTAL	220,704		229,334			834,103		713,766		
Share of U.S. Total		28.16		23.99	+ 4.17		27.53		21.09	+ 6.44

Registrations not available for Oklahoma, delayed for Hawaii.

But registrations are 3rd highest ever

Imports fail to set record for month

By Richard A. Wright
Assistant Managing Editor

After six consecutive months of records, registrations of new imported cars declined in April from a year earlier, according to figures compiled by R. L. Polk & Co. But the April total was up from March and it was the third highest import count for any month in history.

New import registrations in April totaled 220,704, down 3.76 percent from 229,334 a year earlier. The only other monthly total to top this year's April count was 237,289 in May last year, the biggest ever.

And, while imports were off slightly in April, their penetration of the total U. S. market was a record 28.16 percent, topping the former high of 27.82 percent set in February this year. Import penetration in April last year was 23.99 percent.

For the first four months, import registrations totaled 834,103, a record for the period and 16.86 percent ahead of 713,766 last year. Imports accounted for 27.53 percent of U. S. new-car registrations in the first four months, up 6.44 percentage points from 21.09 percent last year.

• The April import registration picture was highlighted by substantial gains in market share by the two leaders, Toyota and Datsun. Toyota held onto the top spot by increasing its share by 2.99 percentage points to 22.63 percent of import registrations. But Datsun had the biggest gain, 3.79 points to 21.99 percent.

Other gainers were Subaru, up 0.04 of a point to 4.06 percent, and Arrow, up 0.21 of a point to 2.54 percent.

Makes posting losses in market share were Honda, down 1.67 points to 13.66 percent; Volkswagen, down 2.21 points to 10.60 percent; Mazda, off 0.60 of a point to 5.45 percent; Fiesta, off 0.18 of a point to 2.87 percent; Fiat, down 0.23 of a point to 2.33 percent, and Colt, off 0.52 of a point to 2.22 percent.

The top 10 imports accounted for 88.35 percent of the April import registrations, compared with 86.73 percent a year earlier. In the first four months, the top 10 took 88.62 percent of the total, up from 85.77 percent last year.

Japanese nameplates accounted for 73.49 percent of the April import market, up from 70.27 a year earlier. All other countries of origin suffered losses, except France, which was up 0.19 of a point to 1.52 percent.

Registrations of imported cars in April by country of origin, with year-earlier figures in parentheses, were: Japan, 162,185 (161,116); West Germany, 41,804 (48,626); Italy, 5,665 (6,374); Sweden, 5,463 (6,197); France, 3,349 (3,057), and United Kingdom, 2,218 (3,964).

Registrations by country of origin for the first four months of 1980, with year-earlier figures in parentheses were: Japan, 625,604 (482,325); West Germany, 150,795 (169,903); Sweden, 20,921 (21,798); Italy, 17,486 (19,922); France, 11,945 (8,695); UK, 7,352 (11,122), and others, 0 (1).

Registrations of imported trucks in April were up 2.50 percent to 46,830, compared with 45,686 a year earlier.

Registrations of imported trucks in April, with year-earlier figures in parentheses, were: Toyota, 11,552 (10,007); Datsun, 8,953 (10,568); LUV, 8,090 (9,555); Courier, 6,889 (7,526), and others, 11,346 (8,030).

The truck import total for the first four months of 1980 was 182,692, up 20.12 percent from 152,092 last year.

Registrations of imported trucks in the first four months, with year-earlier figures in parentheses, were: Toyota, 46,959 (33,048); Datsun, 36,327 (31,547); LUV, 32,038 (35,237); Courier, 27,357 (28,172), and others, 40,011 (24,088).

factories list auction dates

American Motors

July 16—Big D Auto Auction, W. Hwy. 80, Dallas; Sand Mountain Auto Auction, U. S. 431, Boaz, Ala.; Southern Auto Sales, S. Main St., Warehouse Point, Conn.

June 17—Fredericksburg Auto Auction, U. S. 1 Alt., Fredericksburg, Va.

July 22—Aptco Auto Auction, 20911 Gladwin, Taylor, Mich.; Ohio Auto Auction, Columbus, O.; D-A Auto Auction, Waltz Mill Rd., New Stanton, Pa.

July 23—Kansas City Automobile Auction, 1100 Elmwood Ave., Kansas City, Mo.

July 25—Floyd Hauhe Auto Auction, 12000 St. Charles Rock Rd., Bridgeton, Mo.; Concord Auto Auction, Hosmer St., Acton, Mass.

July 30—Southern Auto Sales, S. Main St., Warehouse Point, Conn.

July 31—Fredericksburg Auto Auction, U. S. 1 Alt., Fredericksburg, Va.

Chrysler Corp

July 15—Hatfield Recon Center, Rte. 309, Hatfield, Pa.; Birmingham Recon Center, 101 Miles Pkwy., Industrial Park, Pell City, Ala.; Metro Auto Auction of Kansas City, 101 W. Oldham, Pkwy., Lee's Summit, Mo.; Southwest Auto Auction, 3420 S. 48th St., Phoenix.

July 16—St. Pete Auto Auction, 14950 Roosevelt Blvd., Clearwater, Fla.; Lafayette Recon Center, 3182 Rte. 11, Lafayette, N. Y.; *Al Eide's Minneapolis Auto Auction, 1125 A Nathan Lane N., Minneapolis.

July 17—*Auto City, 440 McClellan Hwy., East Boston, Mass.; *Barberton Recon Center, 5075 Wooster Rd. W., Barberton, O.; Golden Gate Auto Auction, 6010 Stevenson Blvd., Fremont, Calif.

July 21—*Clanton's Auto Auction, 1027 Pearl St., Darlington, S. C.; Arena Auto Auction, 10355 S. Woodlawn, Chicago.

July 22—*Hatfield Recon Center, Rte. 309, Hatfield, Pa.; Birmingham Recon Center, 101 Miles Pkwy., Industrial Park, Pell City, Ala.; South Seattle Auto Auction, 19443 76th Ave. S., Kent, Wash.; Chrysler Leasing Corp. Used Vehicle Marshaling and Auction Center, 3500 W. MacArthur Blvd., Santa Ana, Calif.

July 23—St. Pete Auto Auction, 14950 Roosevelt Blvd., Clearwater, Fla.; *Al Eide's Minneapolis Auto Auction, 1125 A Nathan Lane N., Minneapolis; Meyer & Sons, 6464 Downing St., Denver.

July 24—*Auto City, 440 McClellan Hwy., East Boston, Mass; *Barberton Recon Center, 5075 Wooster Rd. W., Barberton, O.; *Big H Recon Center, 918 Asbury, Houston.

July 25—*Floyd Hauhe Auto Auction, 12000 St. Charles Rock Rd., Bridgeton, Mo.

July 28—*Clanton's Auto Auction, 1027 Pearl St., Darlington, S. C.; Arena Auto Auction, 10355 S. Woodlawn, Chicago.

July 29—*Hatfield Recon Center, Rte. 309, Hatfield, Pa.; *Birmingham Recon Center, 101 Miles Pkwy., Industrial Park, Pell City, Ala.; *Metro Auto Auction of Kansas City, 101 W. Oldham Pkwy., Lee's Summit, Mo.; *Southwest Auto Auction, 3420 S. 48th St., Phoenix.

July 30—St. Pete Auto Auction, 14950 Roosevelt Blvd., Clearwater, Fla.; *Al Eide's Minneapolis Auto Auction, 1125 A Nathan Lane N., Minneapolis.

July 31—*Barberton Recon Center, 5075 Wooster Rd. W., Barberton, O.; Golden Gate Auto Auction, 6010 Stevenson Blvd., Fremont, Calif.

*Tentative—due to inventory shortages, some auctions are scheduled on a tentative basis. Please contact these locations before planning to attend.

Ford Motor Co.

July 15—Aptco Auto Auction, 20911 Gladwin, Taylor, Mich.; Harrisonburg Auto Auction, I-81, Exit 52, Harrisonburg, Va.

July 16—Central States Auto Auction, 824 S. Taft, Mason City, Ia.

July 17—Big H Auto Auction, 701 N. Shepherd Dr., Houston; Nashville Auto Auction, 1406 Lebanon Rd., Nashville, Tenn.

July 22—Arena Auto Auction, 10355 S. Woodlawn Ave., Chicago.

July 23—Golden Gate Auto Auction, 6010 Stevenson Blvd., Fremont Blvd.; Metro Auto Auction of Kansas City, 101 W. Oldham Pkwy., Lee's Summit, Mo.

July 24—Skyline Auto Exchange, 100 Rte. 46, Fairfield, N. J.

July 30—Dallas Auto Auction, 4226 E. Main, Dallas; Northway Exchange, Rte. 146, Clifton Park, N. Y.

July 31—Columbus Fair Auto Auction, 4700 Groveport Rd., Obetz, O.; 166 Auto Auction, 2944 W. Sunshine, Springfield, Mo.

Model breakdown

Auction averages

	July to Date	June	May
1980	$5,362	$5,821	$6,050
1979	4,854	4,650	4,610
1978	3,542	3,501	3,498
1977	2,931	2,961	2,578
1976	2,105	2,328	2,177
1975	1,616	1,772	1,662
1974	1,225	1,343	1,203
1973	859	1,084	1,007
Overall Average	$3,026	$3,349	$3,183

Used car sales

Auction averages

July to date	$3,026
Month ago	$3,306
Year ago	$2,790

Changeovers cut into output; week brings 101,950

Production steady, but total is low

By Michele Raquepau
Staff Writer

Auto production by U. S. makers last week of 101,950 rose a slight 0.53 percent over the previous week's 101,411, but dropped 34.71 percent from the 156,138 cars assembled in the comparable 1979 week.

Year-to-date production of 3,616,726 is a 30.30 percent decline from the 5,188,722 units built by this date in 1979.

American Motors, whose Kenosha plant is down until July 21, has 2.60 percent of year-to-date output.

Chrysler Corp. assembled 11,250 autos last week and has 9.58 percent of the year's production.

Only Chrysler's Belvidere point (Omni, Horizon) is working this week. Chrysler's Newark and Jefferson assembly plants have been down for changeover to production of K-cars and are scheduled to begin output of 1981 model autos on Aug. 15 and July 29, respectively.

Chrysler's St. Louis point closed last Friday (July 11) for changeover to 1981 model production. When St. Louis resumes work on Aug. 4, it will be with one shift only at a reduction of 2,100 hourly workers.

Chrysler's Lynch Rd. plant closed July 9 for changeover and is scheduled to begin production of 1981 cars on Sept. 11.

All Ford Motor Co. auto assembly plants except Metuchen (Pinto, Bobcat) were closed last week for vacation and changeover and will remain down this week. Metuchen produced 3,960 cars last week and the company has 19.55 percent of year-to-date production.

General Motors built 82,365 autos last week and has 65.13 percent of the year's total.

Volkswagen of America produced 4,375 Rabbits last week for 3.10 percent of year-to-date production.

Checker Motors, which is down until Aug. 1, has 0.04 percent of the year's output.

Truck output dips 15 pct. for week; 17,503 assembled

U. S. truck production last week of 17,503 fell 15.43 percent from the 20,697 of the previous week, and dropped 70.47 percent from the 59,279 assembled in the comparable 1979 week.

Year-to-date truck output of 874,048 is a 57.92 percent decline from the 2,077,338 built by this date in 1979.

All Ford Motor Co. truck assembly plants were down last week for changeover and vacation and will remain down this week.

American Motors' Jeep plant will be closed for the entire month of July for changeover to 1981 model output.

Last Monday, International's Fort Wayne plant closed for the first of three successive weeks. Fort Wayne assembles the Scout.

Chrysler Corp.'s Warren truck point will be down for 1981 model changeover beginning today (July 14) until Aug. 11. Warren will be the only Chrysler plant in the U. S. which will assemble 1981 model trucks as its Missouri truck plant has been indefinitely mothballed and its St. Louis point discontinued truck assembly July 10.

Canada registers decline in output of cars, trucks

Production of cars and trucks in Canada last week declined compared with the previous week and year-ago figures.

Auto production last week of 13,105 fell 21.76 percent from the 16,750 assembled in the previous week and dropped 0.18 percent from the 13,128 built in the comparable 1979 week.

Year-to-date car output of 484,636 is a decline of 19.85 percent from the 604,695 produced by this date in 1979.

Canadian truck production last week of 3,304 declined 43.56 percent from the previous week's 5,854, and fell 65.65 percent from the 9,619 of the comparable 1979 week.

Year-to-date truck production of 292,235 is a 29.25 percent drop from the 413,024 built by this time in 1979.

American Motors' Jeep plant in Brampton, which has built out for the 1980 model year, is tentatively scheduled to reopen the first week of November.

Chrysler Corp.'s Windsor auto assembly plant closed July 4 for changeover and vacation and will be down until Aug. 4 when 1981-model production will begin. Chrysler originally planned to close Windsor the weeks of July 14 and 21 only.

Chrysler's Pillette Rd. plant built out for the 1980 model year June 20 and is scheduled to begin 1961 model production July 28. Pillette Rd. will be the only Chrysler plant to assemble vans in 1981.

Ford Motor Co.'s Oakville plant, which closed July 7 for three weeks, will build '80 models until production of 1981 model cars and trucks begins Aug. 18.

St. Thomas, which closed July 7 for two weeks, will build '80s until 1981 output starts Aug. 12.

General Motors' Oshawa No. 2 line and its St. Therese plant build out for the 1980 model year on Aug. 18 and 24, respectively. Production of 1981 models begins Sept. 18 and 25. Oshawa No. 1 will close Aug. 18, and begin assembly of 1981 models Sept. 11.

GM's Scarborough van plant closes for changeover Aug. 22 and begins 1981 model production Sept. 4.

All GM plants are scheduled to work regular hours until changeover begins.

U. S. CAR PRODUCTION

	Week Ended July 12, 1980	Same Week 1979	Week Ended July 5, 1980	July to Date	Jan. 1, to July 14, 1979	Jan. 1, to July 12, 1980
AMERICAN MOTORS	.....	.....	.....	.....	77,569	93,913
Eagle	.....	.....	.....	.....	.....	.....
Concord	.....	.....	.....	.....	.....	.....
'78 AMX	.....	.....	.....	.....	.....	.....
Pacer	.....	.....	.....	.....	.....	.....
Spirit	.....	.....	.....	.....	.....	.....
CHRYSLER CORP.	11,250	15,016	9,846	13,712	550,543	346,621
Plymouth Total	4,150	6,544	3,912	5,128	219,582	157,195
Horizon	3,300	3,220	2,702	3,975	91,782	88,016
Volare	550	3,324	523	681	122,344	51,779
'80 Gran Fury	150	.....	473	268	.....	13,297
Caravelle	150	.....	214	204	5,456	4,103
Chrysler Total	2,550	2,590	2,123	3,081	117,873	47,573
Chrysler	550	2,590	331	633	52,472	11,238
LeBaron	2,000	.....	1,792	2,448	65,401	36,335
Dodge Total	4,550	5,882	3,811	5,503	213,088	141,853
Omni	2,700	2,831	2,194	3,249	82,718	76,510
St. Regis	250	600	505	376	17,943	10,737
Diplomat	1,250	.....	885	1,471	30,044	17,701
Aspen	350	2,451	227	407	82,383	36,905
FORD MOTOR	3,960	22,658	18,624	8,616	1,272,371	706,915
Ford Division	3,409	18,408	12,823	6,615	825,992	523,109
Pinto	3,409	3,928	2,323	3,990	105,487	64,980
Mustang II/Mustang	.....	8,564	4,687	1,172	215,808	139,900
Fairmont	.....	3,291	2,181	545	106,999	143,497
Granada	.....	.....	2,099	525	88,173	49,412
LTD II	.....	.....	.....	.....	22,746	.....
Thunderbird	.....	2,107	.....	.....	175,785	74,793
Ford	.....	518	1,533	383	110,994	50,527
L-M Division	551	4,250	5,801	2,001	446,379	183,806
Mercury Total	551	4,250	4,761	1,741	349,822	165,552
Bobcat	551	1,045	497	675	28,143	11,862
Capri	.....	2,477	1,053	263	63,911	40,144
Zephyr	.....	728	865	216	37,290	45,863
Monarch	.....	.....	1,322	331	42,259	16,409
Cougar/XR7	.....	.....	.....	.....	104,958	23,752
Mercury	.....	.....	1,024	256	73,261	27,522
Lincoln Total	.....	.....	1,040	260	96,557	18,254
Lincoln	.....	.....	486	122	48,191	7,036
Versailles	.....	.....	.....	.....	8,898	1,861
Mark VI	.....	.....	554	138	39,468	9,357
GENERAL MOTORS	82,365	114,090	69,184	99,661	3,181,468	2,355,666
Buick Division	16,886	13,949	13,316	20,215	472,242	465,825
Skyhawk	.....	610	.....	.....	13,899	.....
Skylark/'79-'80	4,566	3,318	3,420	5,421	45,664	126,737
Century	3,790	1,000	3,077	4,559	31,436	103,078
Regal	4,410	6,136	3,487	5,282	166,723	123,050
Buick	3,415	2,885	2,732	4,098	177,182	86,608
Riviera	705	.....	600	855	37,338	26,352
Cadillac Division	4,140	6,357	3,314	4,969	238,843	116,971
Seville	695	955	589	843	30,574	19,896
Cadillac	2,120	5,402	1,745	2,556	160,605	66,470
Eldorado	1,325	.....	980	1,570	47,664	30,605
Chevrolet Division	32,380	54,807	27,389	39,227	1,353,817	986,636
Chevette	9,700	10,701	7,584	11,596	227,412	251,737
Monza	3,400	3,436	2,791	4,098	87,014	94,369
Camaro	2,540	6,843	2,022	3,045	167,955	73,095
Nova/Citation	9,805	8,425	6,911	11,533	133,247	261,812
Malibu	5,215	8,675	4,696	6,389	239,340	153,287
Monte Carlo	920	4,206	813	1,123	146,680	58,091
Chevrolet	.....	11,527	1,932	483	325,511	70,075
Corvette	800	994	640	960	26,558	24,170
Oldsmobile Division	19,470	21,354	15,344	23,306	654,844	458,856
Starfire	.....	423	.....	.....	11,891	.....
Omega/'79-'80	2,790	1,335	1,903	3,266	21,657	67,411
Cutlass	10,812	13,231	8,134	12,845	328,371	230,601
Oldsmobile	4,868	6,365	4,504	5,994	257,051	137,569
Toronado	1,000	.....	803	1,201	35,874	23,275
Pontiac Division	9,489	17,623	9,821	11,944	461,722	327,378
Acadian†	280	217	281	350	11,293	13,392
Sunbird	3,000	2,234	2,313	3,578	56,711	82,581
Phoenix/'79-'80	2,932	2,248	2,136	3,466	37,579	76,743
Firebird	1,540	4,956	1,243	1,851	126,075	47,803
LeMans	127	1,960	1,027	384	56,365	34,459
Grand Prix	415	2,414	1,862	881	62,005	35,242
Pontiac	1,195	3,594	959	1,434	109,694	37,158
VOLKSWAGEN	4,375	4,270	3,757	5,314	104,209	112,041
CHECKER	.....	104	.....	.....	2,562	1,570
Total Cars, N. S.	101,950	156,138	101,411	127,303	5,188,722	3,616,726

CANADIAN CAR PRODUCTION

	Week Ended July 12, 1980	Same Week 1979	Week Ended July 5, 1980	July to Date	Jan. 1, to July 14, 1979	Jan. 1, to July 12, 1980
CHRYSLER CORP.	.....	.....	1,617	404	73,501	38,578
FORD MOTOR	1,008	360	5,470	2,375	181,420	144,231
GENERAL MOTORS	11,872	12,588	9,663	14,288	344,882	296,124
VOLVO	225	180	.....	225	4,892	5,703
Total Cars, Canada	13,105	13,128	16,750	17,292	604,695	484,636
N. American Cars	115,055	169,266	118,161	144,595	5,793,417	4,101,362
N. American Trucks	20,807	68,898	26,551	27,445	2,490,362	1,166,283
North American Cars and Trucks	135,862	238,164	144,712	172,040	8,283,779	5,267,645

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

TRUCK PRODUCTION IN U. S.†

	Week Ended July 12, 1980	Same Week 1979	Week Ended July 5, 1980	July to Date	Jan. 1, to July 14, 1979	Jan. 1, to July 12, 1980
CHEVROLET	7,870	19,941	6,333	9,454	544,287	268,918
DODGE/PLYMOUTH	1,400	3,495	2,833	2,108	255,044	84,795
FORD	.....	24,368	6,056	1,514	748,132	293,535
GMC	4,043	9,994	2,816	4,747	207,309	91,283
INTERNATIONAL	2,230	.....	982	2,476	76,884	26,996
MACK	460	781	284	531	21,077	14,093
JEEP	.....	.....	.....	.....	87,699	51,105
AM CORP.	225*	.....	180*	270*	13,426	5,054
VOLKSWAGEN	625	.....	528	757	.....	15,819
MISCELLANEOUS	650*	700	685	821*	23,480	22,450
Total Trucks, U. S.	17,503	59,279	20,697	22,678	2,077,338	874,048

CANADIAN TRUCK PRODUCTION

	Week Ended July 12, 1980	Same Week 1979	Week Ended July 5, 1980	July to Date	Jan. 1, to July 14, 1979	Jan. 1, to July 12, 1980
CHRYSLER CORP.	.....	.....	.....	.....	40,108	22,198
FORD MOTOR	354	3,380	3,200	1,154	153,765	103,811
GENERAL MOTORS	2,910	6,155	2,255	3,474	172,793	144,774
AMERICAN MOTORS	.....	.....	.....	.....	32,900	11,644
INTERNATIONAL	.....	.....	378	94	11,345	8,484
MACK	40	84	21	45	2,113	1,324
Total Trucks, Canada	3,304	9,619	5,854	4,767	413,024	292,235
N. American Trucks	20,807	68,898	26,551	27,445	2,490,362	1,166,283

**—Revised. †—Now includes van production. *—Estimated.
Jeep includes commercial vehicles only. AM General includes government-destined vehicles.

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Automotive News

Detroit, July 21, 1980

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Ford charts rising share for Japanese

WASHINGTON. — Ford Motor Co.'s assessment of the threat of rising Japanese car and truck sales is being constantly updated as the charts are carried around the government agencies and distributed on the Hill.

U. S. car and truck sales continue on a sharp line downward and sales of Japanese cars and trucks continue their upward swing.

The latest Ford charts, dated July 7, did not, however, show the effect of the 25-percent tariff on small chassis-cabs scheduled for early August. The tariff may raise prices of Japanese-made small trucks (including those Ford Couriers made by Toyo Kogyo and General Motors' LUV made by Isuzu) $600 to $900.

While it is not possible to make a complete comparison—since some of the earlier charts are not available to Automotive News—projections of the U. S. share must be disheartening to domestic makers.

Ford sees Japan's share of the U. S. market as 21.6 percent through June (compared with 21.2 percent through April and 16.6 percent for 1979). Japan's share of the truck market is forecast at 19.4 percent—up from 13.7 percent for 1979.

The Ford charts show no anticipated change from a month earlier for Japanese production. Ford noted that for cars and trucks, Japan's production rose from 4.7 million in 1969 to 10

Continued on Page 52, Col. 2

Going topless

Mustang retouched

Automobili Intermeccanica, Fountain Valley, Calif., turns out this convertible conversion of the Ford Mustang. AI restructures the body and makes all its own parts for the conversion. Fiberglass cap flips up to accept the manually operated top for stowage. Story on Page 51.

Tough road ahead seen for Chrysler if slump continues

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — The $1.5 billion in federal loan guarantees to Chrysler Corp. is simply not enough to keep the company viable if current depressed conditions in the industry continue through 1980 and perhaps beyond the early part of 1981, the federal Loan Guarantee Board said last week.

The board found some changed situations that appear to work in Chrysler's favor, but new risks turned up, too.

The board met to act on Chrysler's request for $300 million — the second drawdown from the federally guaranteed $1.5-billion package. Approval is expected in two steps.

The board gave its preliminary approval to $250 million but made the other $50 million contingent on the company getting together matching private financing by the date the new bonds are sold. In other words, Chrysler now has about 15 days —the same period as the statutory waiting period.

In order to give preliminary approval to the $250 million—bringing Chrysler to the halfway mark on available guarantees about six months after Congress passed the aid package—the board had to find adequate margins for future contingencies and a reasonable prospect that Chrysler will continue as a going concern.

With total industry sales falling — and Chrysler share also falling—this has become a more questionable decision.

This assumes an auto sales pickup next spring and, in particular, it assumes that Chrysler will sell all the K-cars it can make in the fourth quarter—to fleets and to dealers.

Treasury Secretary G. William Miller did not deny this was an "iffier" situation. In fact, at a press briefing after the meeting, he seemed to emphasize an additional "restructuring" which Chrysler must carry out by next September, when it will have yet another operating plan and when it is reasonable to expect a request for the third drawdown.

Chrysler Chairman Lee Iacocca told the board that an internal team headed by John W. Day, vice president and controller, will work out plans for restructuring and submit them to management and directors by Aug. 15.

This gives time for approval

Continued on Page 51, Col. 1

Makers are busy investing

Japan plans to add output capacity

By John Hartley
Staff Correspondent

TOKYO. — In an amazingly bland statement, Japan's Minister of International Trade and Industry, Yoshitake Sasaki, rejected American claims that Japanese auto makers were intent on increasing capacity by two million units a year.

The statement indicated that the ministry had not heard of "any large-scale plant and equipment investment programs in the auto industry which might be implemented in the next two or three years."

In addition, Shohei Kurihara, director general of MITI, said that information was available on this fiscal year, which extends to next March.

During that period, he claimed, auto makers plan to invest about $3 billion, but that only 25 percent of this was for new plant—and quite a proportion of that money is going into new component plants.

In fact, it is true that the Japanese are busy investing—in new power train plants in particular.

Nissan, Toyo Kogyo and Isuzu are all in various stages of building new transaxle plants. Toyo Kogyo's is built and Nissan's is virtually finished. Honda is investing in new engine facilities.

• However, the bulk of investment is aimed at new models, especially front-drive cars. Isuzu is to produce the General Motors J-car and a new coupe, Honda is to rebody its Accord for 1982, while Nissan and Toyota also have major new model programs.

Kurihara also said about the investment plans: "The automakers are seemingly unable to work out long-term investment plans because business prospects even for the near future are uncertain."

It seems that the Japanese decided that whatever they said, no one would believe them, so the less said the better. Clearly, once a certain view on such a subject has got around, any number of denials will not change the view.

So how does the statement square up with information available from the industry? Well, the overall investment for the year seems to be quite a bit less than was expected earlier, industry sources quoting around $3.5 billion.

In addition, certain expansion plans are known, or can be deduced. First, there is Toyota, which is building the new Tahara No. 2 factory in the next year or so, to give capacity of about 220,000 units, while Tahara No. 1 is to be expanded by about 60,000 units a year—total 280,000.

Honda is expanding its three factories at present, to boost output by 170,000 units a year, to just about one million units. Next year, Daihatsu is to increase output of its cars by about 20 percent. However, since this is a small company,

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breaking news

Nissan to reveal U. S. plant site in August

TOKYO.—Nissan Motor Co. plans to make an announcement during the second week of August on its selection of a plant site in the U. S. The plant will build pickups. Speculation is that Nissan has narrowed the possibilities to three or four states in the Southwest or Midwest. The announcement is expected to be coordinated at the plant site, in Tokyo and probably in Washington.

Honda minitruck rumored for U. S.

TOKYO. — Honda Motor Co. is rumored to be studying plans to build a small front-drive pickup in the early '80s, according to sources here. Although production of such a vehicle has not yet been approved, it is believed the Honda minitruck would be based on the Accord, sharing many of the engine and mechanical components, as well as front-end sheet metal. The Accord is to be revised in '82 and is scheduled to be assembled at Honda's U. S. plant in Marysville, O., so it is conceivable the truck could be built alongside the car in the same plant.

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Engine deal with Peugeot announced

Chrysler triggers next survival step

By Edward Lapham
Financial Editor

Chrysler Corp. has activated the next phase of its survival plan, which included some subsidiary status changes, another loan guarantee drawdown, a deal to buy Peugeot engines and the probability of more plant closings.

The auto maker last week notified the Loan Guarantee Board that it needed a second installment of guaranteed loans and later in the week announced plans to market, "in the near future," $250 million in notes similar to the first $500 million drawdown in June.

Chrysler said the notes would be issued in fully registered form, again in $5,000 multiples, like the first offering. The interest rate for the second offering is expected to be lower than on the first offering, due to market changes.

The auto maker reported that all but $40 million (8 percent) of the original offering was sold in the first week.

The forms the auto maker filed with the government in its quest for approval of the second drawdown disclosed other parts of the current phase of the company's survival plan, although Chrysler has been reluctant to disclose much information to the public since the first loan guarantee drawdown.

Chrysler announced it had reached agreement with PSA Peugeot-Citroen to purchase 1.6-liter four-cylinder engines to supplement existing sources for Omni and Horizon. The contract provides for shipment of up to 100,000 engines the first year and up to 150,000 in the second

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155,852 U. S.-built cars sold

Early-July car sales slowest in 13 years

By Jenny L. King
Staff Writer

Sales of new U. S.-built cars the first 10 days in July totaled 155,852, down 8.36 percent from the already depressed figure of 170,064 and lowest for the period since 1966 when the total was 153,124.

On a daily rate basis the news was even less spectacular. With eight days in the period this year, the daily rate was 19,482, down 19.81 percent from 24,295 based on seven days a year ago.

Year-to-date sales reached 3,555,028, 22.99 percent away from 4,616,240 through July 10, 1979.

Volkswagen of America reported a healthy 25.06-percent increase, its early-July sales climbing to 3,743 from 2,993. Ford Motor Co. fared best of the Big Three. Ford sales were down 3.03 percent, to 45,884 from 47,320. On a daily rate basis, Ford sales were off 15.15 percent.

General Motors sales dipped 11.12 percent, to 88,462 from 99,526. That was a 22.23-percent drop on a daily rate basis. Chrysler sales were down 16.03 percent, to 14,463 from 17,225—a 26.53-percent daily rate decrease.

Estimated sales of American Motors passenger cars were 3,300, up 10.00 percent from last year's 3,000 estimate.

Ford, AMC and VWoA increased their shares of the domestic market in early July, while GM and Chrysler paid for the difference. Ford climbed to 29.44 percent from 27.83 percent, the improvement presumably linked with the corporation's extended rebates on several Ford, Lincoln and Mercury models. It was Ford's greatest share for any period this calendar year.

VWoA earned 2.40 percent, up from 1.76 percent, and AMC went to 2.12 percent from 1.76 percent.

GM sales accounted for 56.76 percent of the market, down from 58.52 percent. Chrysler earned 9.28 percent, down from 10.13 percent.

Makes reporting sales increases included Ford, up 2.47 percent; Lincoln, up 44.84 percent; Buick, up 12.05 percent; Oldsmobile, up 4.74 percent; AMC, up 10.00 percent, and VW Rabbit, up 25.06 percent.

Pontiac suffered the greatest sales drop, down 26.30 percent; Mercury sales were down 23.59 percent, and Dodge sales dropped 20.14 percent.

The top five nameplates July 1-10 were headed by Ford Fairmont — first time this year — at 8,594, followed by Chevrolet Citation at 8,421, Ford Mustang at 7,677, Chevrolet Chevette at 6,987 and Oldsmobile Cutlass Supreme at 6,040.

DOMESTIC SALES

	July 1-10, 1980	July 1-10, 1979
AMERICAN MOTORS	3,300†	3,000†
Chrysler	2,819	3,377
Plymouth	5,643	6,334
Dodge	6,001	7,514
CHRYSLER CORP.	14,463	17,225
Ford	34,820	33,980
Mercury	9,171	12,003
Lincoln	1,893	1,307
FORD MOTOR	45,884	47,320
Buick	15,108	13,483
Cadillac	5,042	5,281
Chevrolet	35,590	43,661
Oldsmobile	18,150	17,328
Pontiac	14,572	19,773
GENERAL MOTORS	88,462	99,526
VOLKSWAGEN	3,743	2,993
INDUSTRY TOTAL	155,852	170,064

†—Estimate

Projections show domestic shares declining

Ford charts rising Japanese tide

Continued from Page 1

million in 1979, a planned 11 million in 1980 and — according to press reports—12.8 million by 1982.

The chart also shows the leveling off of Japan's home market—5.1 million in 1979 and 5.2 million in 1980—showing that more than half of Japan's cars and trucks are exported—and more than 40 percent of its exports go to the U. S.

Meanwhile, Ford charts the U. S. market as continuing to fall. The "through April" figure for car sales including imports had been 10 million at a seasonally adjusted annual rate. Ford lowered it to 9.1 million for the first half of 1980. For domestics, the forecasted rate was reduced from 7.2 million to 6.5 million. This is a drop from 9.1 million domestic units in 1978, or a 29-percent decrease in sales of North American-made cars.

Truck sales are off even more sharply in the Ford forecast.

Sales of U. S.-made trucks have fallen from 3.9 million units to a rate of 2.1 million—a 46-percent decline. The figure including truck imports also shows a drop, but only to a rate of 2.7 million for the first half of 1980.

Another chart shows worldwide profit trends for the four domestic companies (GM, Ford, Chrysler Corp. and American Motors but not Volkswagen of America) for 1978 and 1979. It shows the worldwide industry profit picture for the industry as a before-tax loss of $700 million for 1979's third and fourth quarter, compared with a profit of $6.2 billion in the first half.

First-quarter losses for 1980 are about $400 million, compared with substantial profits in the first quarter of 1978—$2.3 billion—and the first quarter of 1979—$3.4 billion.

But capital spending—which should feed on profits — continues to rise. Ford projects $64 billion for all four companies between 1980 and 1984.

Ford also points out the 1979 auto trade deficit of $9.6 billion (excluding Canda) is the single largest after oil. Virtually all of this—$8.6 billion—is with Japan. Ford projects the 1980 auto trade deficit with Japan will be between $11 and $12 billion—on top of a projected $80-$90 billion oil deficit.

A final Ford chart, reprinted here, shows the U. S. virtually alone in "having substantial domestic auto production with negligible import restraint."

Nations with major domestic auto production

Country	Mot. Veh. Hourly Compen. (Mid-1979)	'79 Car Industry Sales (000)	'79 Japanese Car Import Mkt. Share %	Protection of Domestic Car Industry (Nearest Whole Percentage)
Brazil	$ 2.53	830	*	95% local content or 185-205% duty
Mexico	3.91	268	*	50% local content
Venezuela	3.66★	94	*	51% local content or 120% duty
S. Africa	1.98	213	*	66% local content or 95% duty
Spain	7.39	588	*	90% local content or 35% duty†
Italy	7.90	1,329	*	11% duty‡ and bi-lateral import quota restricting Japanese imports to 2,000 cars a year
Argentina	NA	196	1.2	92% local content or 85% duty
France	8.97	1,976	2.2	11% duty‡ and informal limit on Japanese car share to 3% or less
Germany	14.05	2,567	5.7	11% duty‡
Canada	9.46	1,005	8.2	14% duty
U.K.	6.36	1,716	10.8	11% duty‡ and agreement with Japanese to restrict car market share to 10-11% or less
Australia	NA	458	15.2	85% local content or 58% duty (quota limits import share to 20% of market)
U. S.	13.72	10,510	16.6	3% duty
Memo: Japan	$ 6.85	3,322	1.8 (all imports)	No duty, but protected by high duties in the past and now by a major cost advantage

*—Less than 0.1%.
†—Effective rate is about 63% because of additional taxes.
‡—Effective rate is about 14% because of c.i.f. basis (FOB cost plus insurance and freight) and value-added taxes.
★—1978 figure.